

**STATE OF MICHIGAN –
15TH DISTRICT COURT AGENCY
FUND**

**(An Agency Fund of the
City of Ann Arbor, Michigan)**

**REPORT ON AUDIT OF THE
STATEMENT OF CHANGES IN
ASSETS AND LIABILITIES**

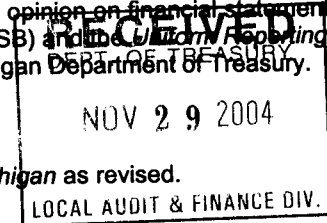
**For The Year Ended
June 30, 2004**

AUDITING PROCEDURES REPORT

Issued under P.A. 2 of 1968, as amended. Filing is mandatory.

Local Government Type <input type="checkbox"/> City <input type="checkbox"/> Township <input type="checkbox"/> Village <input checked="" type="checkbox"/> Other		Local Government Name 15 th District Court Agency Fund	County Washtenaw
Audit Date 6/30/04	Opinion Date 9/14/04	Date Accountant Report Submitted to State: 11/24/04	

We have audited the financial statements of this local unit of government and rendered an opinion on financial statements prepared in accordance with the Statements of the Governmental Accounting Standards Board (GASB) and the Uniform Reporting Format for Financial Statements for Counties and Local Units of Government in Michigan by the Michigan Department of Treasury.



We affirm that:

1. We have complied with the *Bulletin for the Audits of Local Units of Government in Michigan* as revised.
2. We are certified public accountants registered to practice in Michigan.

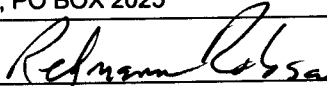
We further affirm the following. "Yes" responses have been disclosed in the financial statements, including the notes, or in the report of comments and recommendations

You must check the applicable box for each item below.

- | | |
|---|---|
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 1. Certain component units/funds/agencies of the local unit are excluded from the financial statements. |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 2. There are accumulated deficits in one or more of this unit's unreserved fund balances/retained earnings (P.A. 275 of 1980). |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 3. There are instances of non-compliance with the Uniform Accounting and Budgeting Act (P.A. 2 of 1968, as amended). |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 4. The local unit has violated the conditions of either an order issued under the Municipal Finance Act or its requirements, or an order issued under the Emergency Municipal Loan Act. |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 5. The local unit holds deposits/investments which do not comply with statutory requirements. (P.A. 20 of 1943, as amended [MCL 129.91], or P.A. 55 of 1982, as amended [MCL 38.1132]). |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 6. The local unit has been delinquent in distributing tax revenues that were collected for another taxing unit. |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 7. The local unit has violated the Constitutional requirement (Article 9, Section 24) to fund current year earned pension benefits (normal costs) in the current year. If the plan is more than 100% funded and the overfunding credits are more than the normal cost requirement, no contributions are due (paid during the year). |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 8. The local unit uses credit cards and has not adopted an applicable policy as required by P.A. 266 of 1995 (MCL 129.241). |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 9. The local unit has not adopted an investment policy as required by P.A. 196 of 1997 (MCL 129.95). |

We have enclosed the following:

	Enclosed	To Be Forwarded	Not Required
The letter of comments and recommendations.			X
Reports on individual federal financial assistance programs (program audits).			X
Single Audit Reports (ASLGU).			X

Certified Public Accountant (Firm Name) REHMANN ROBSON GERALD J. DESLOOVER, CPA			
Street Address 5800 GRATIOT, PO BOX 2025	City SAGINAW	State MI	Zip 48605
Accountant Signature 			

STATE OF MICHIGAN – 15th DISTRICT COURT AGENCY FUND
(An Agency Fund of the
City of Ann Arbor, Michigan)

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REHMANN ROBSON

Certified Public Accountants

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INDEPENDENT AUDITORS' REPORT

September 14, 2004

To the Honorable Judges Hines, Mattson and Goodridge
State of Michigan
15th District Court
Ann Arbor, Michigan

We have audited the accompanying statement of changes in assets and liabilities of the Agency Fund of the State of Michigan – 15th District Court, an agency fund of the City of Ann Arbor, for the year ended June 30, 2004. This financial statement is the responsibility of the City of Ann Arbor's management. Our responsibility is to express an opinion on this financial statement based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in Note 1 to the financial statement, the financial statement referred to above presents only the Agency Fund and do not purport to, and do not present fairly the financial position and changes in financial position of the State of Michigan – 15th District Court or the City of Ann Arbor, as of and for the year ended June 30, 2004, in conformity with accounting principles generally accepted in the United States of America.

In our opinion, the accompanying statement of changes in assets and liabilities presents fairly, in all material respects, the changes in the assets and liabilities of the Agency Fund of the State of Michigan – 15th District Court, an agency fund of the City of Ann Arbor, for the year ended June 30, 2004 in conformity with accounting principles generally accepted in the United States of America.

Rehmann Robson

FINANCIAL STATEMENT

STATE OF MICHIGAN - 15TH DISTRICT COURT AGENCY FUND
(An Agency Fund of the City of Ann Arbor, Michigan)
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE YEAR ENDED JUNE 30, 2004

	Balances - Beginning of Year	Receipts	Disbursements	Balances - End of Year
<u>ASSETS</u>				
Cash	\$ 435,457	\$ 4,660,523	\$ 4,651,496	\$ 444,484
<u>LIABILITIES</u>				
Due to the City of Ann Arbor:				
City fines and costs	\$ 157,589	\$ 1,880,849	\$ 1,887,694	\$ 150,744
Jury demand fees	260	1,230	1,240	250
Writ fees	2,115	39,285	38,955	2,445
Court filing fees - Civil	3,345	70,126	65,057	8,414
Civil fees	1,316	6,264	7,310	270
Statute costs	39,490	460,972	461,641	38,821
Crime victim	364	4,210	4,200	374
Attorney fees	345	2,971	2,921	395
Public safety fees	18,501	225,313	223,214	20,600
Probation oversight fee	12,311	135,251	135,291	12,271
Bond forfeitures	(15)	23,432	22,017	1,400
Motion fee	-	7,721	6,771	950
Secretary of State fees	4,575	42,862	44,319	3,118
Subtotal	240,196	2,900,486	2,900,630	240,052
Due to the County of Washtenaw:				
Statute fines	9,115	106,607	103,691	12,031
Due to the State of Michigan:				
Jail reimbursement program	10,280	28,745	39,025	-
J comp fund	4,530	42,959	44,004	3,485
Crime victim	3,277	37,886	37,797	3,366
Judges' retirement - Civil	3,511	11,853	15,364	-
Judges' retirement - Criminal	1,099	3,159	4,258	-
Community dispute resolution	734	2,462	3,196	-
Legislative retirement system	733	2,107	2,840	-
Court equity fund	10,381	29,836	40,217	-
Secretary of State fees	4,582	42,943	44,578	2,947
Training fees	10,463	29,109	39,572	-
Highway safety	10,463	29,109	39,572	-
Secondary roads	20,812	57,965	78,777	-
State forensic lab fee	959	2,282	3,241	-
State court fund - Civil	4,830	24,155	28,035	950
State court fund - Criminal	9,818	28,029	37,847	-
Conservation fees and other	-	1,070	1,070	-
Civil filing fee fund	-	107,100	91,539	15,561
Justice system fund	-	709,874	623,504	86,370
Subtotal	96,472	1,190,643	1,174,436	112,679
Due to the University of Michigan:				
Regental violation fines	123	4,984	4,992	115
Other:				
Bond funds	74,220	312,485	318,620	68,085
Trust funds	15,331	145,318	149,127	11,522
Subtotal	89,551	457,803	467,747	79,607
Total	\$ 435,457	\$ 4,660,523	\$ 4,651,496	\$ 444,484

The accompanying notes are an integral part of this financial statement.

STATE OF MICHIGAN – 15th DISTRICT COURT AGENCY FUND

Notes To Financial Statement

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The 15th District Court (the "Court") is a unit of the judicial branch of the State of Michigan and is located in Ann Arbor, Michigan. In accordance with State requirements, the bond and trust accounts of the Court are included as an agency fund in the City of Ann Arbor's financial statements.

Activities

The Court collects and records the receipt of cash from fines and fees on a daily basis. Cash is remitted monthly to the entities designated by statute (i.e., city, county or state).

Cash is also received for bond and trust cases and is held by the Court until a final decision is rendered by the presiding judge. At that time, cash, net of a bond fee, is remitted to the individual. Such individual may apply the bond to any fines or costs due.

Basis of Accounting

The Court accounts for assets held in its capacity as trustee, or as agent, for individuals and other governmental units in its Agency Fund. The Court's responsibilities are custodial in nature and, accordingly, its financial statement does not measure results of operations. The Court's financial records are maintained on a cash receipts and cash disbursements basis of accounting, which approximates the modified accrual method.

Cash

Cash is comprised of two interest bearing checking accounts at year end in the carrying amount of \$444,484 and bank balances totaling \$456,538, of which \$100,000 was insured by the Federal Deposit Insurance Corporation (FDIC), and \$356,538 was uninsured and uncollateralized.

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